



Summary of Expert Report by Dr. Matthew Kelly

Re: William Penn School District et al. v. Pennsylvania Department of Education et al.

Courtesy: FundOurSchoolsPA.org

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MAIN FINDINGS

- School districts across Pennsylvania are profoundly underfunded. Statewide, according to Pennsylvania's own School Code requirements for adequacy, they are falling short by \$4.6 billion dollars.
- In districts that are furthest from adequacy—urban, rural, and suburban alike—students are going without the basics.
- Due to the state's disproportionate reliance on local wealth, poor districts are much worse off, with a growing funding gap averaging \$4,800 per pupil between poor and wealthy districts. Districts with the most need have the least wealth to meet it and pay the highest relative taxes trying to keep up.
- Students of color are concentrated in deeply underfunded districts and are disproportionately impacted by Pennsylvania's irrational and inequitable school funding system.
- Money makes a big difference for students (this has been made crystal clear during COVID) — poor students in well-funded districts do better, and wealthy districts have significantly better results.
- We need to build a system for the 21st century where we ask what students need to succeed and seek to provide it, regardless of where they live.

From the report: "Pennsylvania's school finance system is unequal and inadequate. If we use the state's own measures and definitions to quantify the amount needed to correct the inequality and inadequacy of funding in the state, the Commonwealth needs billions of dollars to close the basic education funding and special education funding equity shortfalls, as well as provide its share of the adequacy shortfall confronting districts."

KEY STATISTICS

86% of students attend school districts that are not adequately funded under Pennsylvania state law (Section 2502.48 of the School Code, enacted in 2008)

277 Pennsylvania districts need more than \$2,000 more per student to adequately support their students' learning needs and graduate ready to compete in today's economy.

Altogether, according to the formula built into state law, districts need \$4.6 billion more invested over time to adequately educate our children.

Due to our current broken system of school funding, students in the poorest districts like Reading, York, and Allentown are among the districts with the biggest gaps in school funding. But the districts with the largest per-pupil gaps include urban, suburban, and rural districts.

KEY STATISTICS (cont'd.)

Pennsylvania spends an average of \$4,800 less per pupil on students in poor districts than on students in rich districts, and this gap continues to widen.

The revenue gap between the poorest and richest districts has grown by a \$1,000 per student since 2008-09. This gap has grown even though property tax rates for the poorest districts have increased more than in the richest districts.

Across the Commonwealth, state funding has not kept pace with growing costs. The number of special education students has grown in Pennsylvania, but state special education funding has declined 12% in real dollars since 2008. **Basic education funding, in real dollars, is \$470 million lower in 2018 than it was in 2008.** Charter school costs to districts have more than doubled since 2008 and are now over \$2 billion. Pension costs alone have risen more than all of state funding since 2008.

Taxpayers in Pennsylvania's poorest districts pay the highest school tax rates, yet their schools still have the least to spend on students who need the most. This is counter to some of the conventional narratives around school funding. Our petitioner districts all have

even higher rates; this is truly stark in a district like William Penn where tax rates are 34.6 equalized mills.

80% of Black and Latinx students attend a district receiving less basic education funding than they would under the formula. Statewide, Black and Latinx students are also concentrated in the lowest wealth (and therefore most underfunded) districts – 50% of PA's Black students and 40% of Latinx students are in the lowest quintile wealth districts.

Districts that spend more get better academic results in Pennsylvania. Students in poverty who go to well-funded schools are significantly more likely to enter and graduate from college than students in poorly funded schools. And graduation rates are 20 percentage points higher in the wealthiest districts compared to the poorest (94% vs. 74%).

State data reflects huge gaps in academic outcomes between students in the poorest and wealthiest quintiles: 30 points in math, 25 points in science, 28 in reading in standardized test scores. Higher performing districts spend more than lower performing districts, about \$4,600 more.

THE LAWSUIT

These findings are derived from publicly available state data and were included in one of several expert reports submitted by petitioners in the case *William Penn School District et al. v. PA Department of Education et al.*

The underlying case asks the court to rule that the way the legislature currently funds education is unconstitutional. Petitioners ask the court to order the state to create and maintain a constitutional school funding system that enables all students to receive the resources they need to meet Pennsylvania's state standards.

The lawsuit does not seek any specific dollar amount or dictate how the funding system must be reformed. That is for the legislature to determine in order to create a funding system compliant with our state constitution.

The adequacy numbers in the expert report are what state law (Section 2502.48 of school code, enacted in 2008) says are the adequacy shortfall for each district. The adequacy target set by this law was derived through a bipartisan process to determine the level of funding students need to have the opportunity to reach state academic standards, weighted to account for student need, similar to the current state funding formula. This calculation of adequacy targets and shortfalls, which is still mandated under state law, confirms what we know: that schools are profoundly underfunded. The depth of inadequacy is clear under existing law; it is telling us that the state and school districts would need to invest an additional \$4.6 billion over time to adequately educate our children.

What share of that is to be covered by the state and what share by local districts is to be determined, but the vast majority of the state's lowest-funded districts already have a heavy local tax burden, and the latest federal data show that Pennsylvania is more reliant on local wealth than all but six states in the country.